

REMARKS

The present application was filed on November 13, 2000 with claims 1 through 23. Claims 1 through 23 are presently pending in the above-identified patent application. Claims 1, 12, 15, 18, and 23 are proposed to be amended herein.

5 In the Office Action, the Examiner rejected claims 12-17 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention and rejected claims 1-5 and 7-17 under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. The Examiner also rejected claims 1-23 under 35 U.S.C.
 10 §103(a) as being unpatentable over Adams et al. (United States Patent Number 5,274,561) in view of Rossides (United States Patent Number 5,620,182).

Section 112 Rejections

Claims 12-17 were rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter
 15 which applicant regards as the invention. In particular, the Examiner asserts that the limitation “generating (a) random number” in claims 12 and 15 is a non-functional limitation.

Claims 12 and 15 have been amended to require wherein said rounding is based on said generated random number. Applicant believes that this amendment
 20 addresses the Examiner’s concern and respectfully requests that the section 112 rejection be withdrawn.

Section 101 Rejections

Claims 1-5 and 7-17 were rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. In particular, the Examiner
 25 asserts that claims 1-5 and 7-17 have no connection to the technological arts and none of the steps indicate any connection to a computer or technology.

Claims 1, 12, and 15 have been amended to emphasize that at least particular steps are performed by a computer. Applicant submits that each of the claims
 30 1-23 are in full compliance with 35 U.S.C. §101, and accordingly, respectfully requests that the rejection under 35 U.S.C. §101 be withdrawn.

Independent Claims 1, 12, 15, 18, and 23

Independent claims 1, 12, 15, 18, and 23 were rejected under 35 U.S.C. §103(a) as being unpatentable over Adams et al. in view of Rossides. Regarding claim 1, the Examiner acknowledges that Adams, “explicitly, does not disclose generating a random number, and rounding said purchase price up or down to a whole-unit amount
 5 based on said random number,” but asserts that Rossides discloses these features.

Applicant notes that Adams is directed to rounding-off a taxi fare to include, for instance, a tip or gratuity (col. 1, lines 50-59). Thus, the prior art is directed to rounding-off a fare for the purpose of including a tip and the present invention is
 10 directed to rounding-off a purchase price to an amount that makes the transaction easier to execute. (The basis used for rounding-off the purchase price is critical to the proper operation of the invention, and it is critical in the present invention that the client (purchaser) does *not* choose the amount of the round-off, as the amount of the round-off must be fair to both the purchaser and seller.) Thus, Adams *teaches away* from the
 15 present invention by teaching that the amount of the round-off (the tip) is determined by the client. A person of ordinary skill in the art would therefore not look to combine Adams and Rossides.

Applicant also notes that the Examiner cited Adams in the rejection of claim 5. In particular, the Examiner asserts that Adams discloses wherein said step of
 20 generating a random number further comprises the step of obtaining a buyer-provided offset value (passengers tip to driver; col. 3, lines 65-66).

Applicant notes that the present disclosure teaches that,

in a further variation, the random number generation process can incorporate a *buyer-provided offset* that guarantees that the
 25 seller cannot introduce a bias into the generated random number that favors the seller. In this manner, both the buyer and the seller alike can be certain that the generated random number is fair. Without such a buyer-provided offset, the seller could systematically build in a bias favoring himself by generating random numbers which tend to be very slightly low.
 30 The buyer-provided offset can, for example, *be specified by the buyer in response to a query from the POS terminal 100 or be generated from a serial number or other numeric identifier obtained from a bill (paper currency) provided by the buyer.* Thus, the random number generated by the seller (or the POS terminal 100) *can be added to the buyer-provided*

offset, and the modulo-100 result determines whether the rounding is done in an upward or downward manner. In yet another variation, fairness can be ensured by having the generation of the random number performed or supervised by a trusted third party.

(Page 5, line 16, to page 6, line 1.)

The specification further teaches that

the coinless transaction process 200, which is typically executed by the seller, then generates a random increment between 0 and 99 during step 240. As noted in step 220, this random process should not have access to the buyer provided offset. The seller-generated value ensures that the final transaction price is calculated fairly from the seller's perspective.

The buyer-provided offset, if any, and the seller-generated increment are combined during step 250, modulo 100, to determine a random number, R, that will determine the final transaction price. A test is performed during step 260 to determine if the random number, R, is less than C.

(Page 8, lines 6-14.)

Applicant notes that a passenger's tip to a driver is *not a buyer-provided offset value* as defined in the present disclosure, as would be apparent to a person of ordinary skill in the art.

Applicant also notes that Rossides teaches

an RN for a bet can come from four sources.

- 1) The RN can come from an RNS that is potentially controllable by one of the parties involved in bet.
 - 2) *The RN can come from combining inputs from both parties.*
 - 3) The RN can come from an RN generator that is not controllable by either party but by an independent, neutral party.
 - 4) The RN can come from a random number generator possessed by one party who interacts with the other party using zero-knowledge protocols, in particular, Blum's protocol for cheat-proof coin flipping.
- (Col. 18, lines 42-53; emphasis added.)

Rossides does *not*, however, disclose or suggest *a buyer-provided offset value* from an *item associated with said buyer* as defined in the present disclosure, as would be apparent to a person of ordinary skill in the art. Independent claims 1, 12, 15, 18, and 23 have been amended to require obtaining a *buyer-provided offset value* from an *item associated with said buyer*; and generating a random number *based on said buyer-provided offset*

value.

Thus, Adams et al. Rossides, alone or in combination, do not disclose or suggest obtaining a buyer-provided offset value from an item associated with said buyer; and generating a random number based on said buyer-provided offset value, as required
5 by independent claims 1, 12, 15, 18, and 23, as amended.

Dependent Claims 2-11, 13-14, 16-17 and 19-22

Dependent claims 2-11, 13-14, 16-17, and 19-22 were rejected under 35 U.S.C. §103(a) as being unpatentable over Adams et al. in view of Rossides.

Claims 2-11, 13-14, 16-17 and 19-22 are dependent on claims 1, 12, 15,
10 and 18, respectively, and are therefore patentably distinguished over Adams et al. and Rossides, alone or in any combination, because of their dependency from amended independent claims 1, 12, 15, and 18 for the reasons set forth above, as well as other elements these claims add in combination to their base claim.

Conclusion

15 All of the pending claims, i.e., claims 1-23, are in condition for allowance and such favorable action is earnestly solicited.

If any outstanding issues remain, or if the Examiner has any further suggestions for expediting allowance of this application, the Examiner is invited to contact the undersigned at the telephone number indicated below.

20 The Examiner's attention to this matter is appreciated.

Respectfully submitted,



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